

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH LOGAN WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	CASE NO.
A WATERWORKS IMPROVEMENT PROJECT)	2008-00271
PURSUANT TO KRS 278.020)	

O R D E R

On July 14, 2008, North Logan Water District ("North Logan") applied for a Certificate of Public Convenience and Necessity to construct water system improvements. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. North Logan proposes to replace approximately 17,000 linear feet of water line along Kentucky Highway 3519 and U.S. Highway 431, between the cities of Russellville and Lewisburg.
2. The lines being replaced are troublesome water lines consisting of gray, irrigation-like pipe material.
3. Plans and specifications for the proposed improvements were prepared by McGhee Engineering of Guthrie, Kentucky.
4. The project specifications include construction of approximately 14,592 feet of 6-inch PVC, 200 feet of 6-inch DI, and 130 feet of 4-inch PVC water lines.
5. By a letter dated May 29, 2008, the Division of Water of the Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

6. North Logan is funding this proposed project from the proceeds of the \$437,500 settlement fund received from the *Commonwealth v. Rockwell* litigation.¹

7. The proposed project will not result in the wasteful duplication of utility facilities.

8. Public convenience and necessity require the construction of the proposed projects.

IT IS THEREFORE ORDERED that:

1. North Logan is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project as set forth in the plans and specifications of record herein.

2. North Logan shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. North Logan shall furnish documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

¹ *Commonwealth v. Rockwell Int'l Corp.*, No. 86-CI-1566 (Franklin Cir. Ct. Mar. 24, 1997). Although the initial judgment in this case came in 1997, the case remained open for a determination on civil penalties until after remediation activities. The parties settled the issue of penalties in August 2007. See Press Release, Governor's Communications Office, State Settles Rockwell International Contamination Case (Aug. 3, 2007), available at <http://migration.kentucky.gov/Newsroom/agovernor/20070803rockwell.htm>.

5. North Logan shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky licensure, competent in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

6. North Logan shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

Done at Frankfort, Kentucky, this 15th day of September, 2008.

By the Commission

ATTEST:


Executive Director